

PASCOAG UTILITY DISTRICT - BOARD OF UTILITY COMMISSIONERS

MEETING MINUTES

The regular meeting of the Pascoag Utility District Board of Utility Commissioners was held on Monday, October 26, 2009, at the District office, 253 Pascoag Main Street, Pascoag, RI.

Members Present: Chairman Albert Palmisciano, Commissioners Thomas Partridge, Brian Choiniere, Adrien Trudeau, Ann Polacek and William Mageau

Members Absent: Dennis Whitman

Also in Attendance: General Manager Theodore G. Garille and William Bernstein, General Counsel

Chairman Palmisciano opened the meeting at 6:00 pm.

1. Pledge of Allegiance

2. Public Comment

3. Committee Comments

- Finance Subcommittee-The Finance Subcommittee met to go over the budget. The budget was discussed in depth in a three hour meeting. The Finance Subcommittee made a motion to recommend that the full Board approve the 2010 Electric and Water Budgets.**

- Facilities Subcommittee-The Facilities Subcommittee met and discussed their continued support of the purchase of a Forestry**

Vehicle in the 2010 budget.

4. Good and Welfare of the District

A. Docket No. 1725

For the period ending September 30, 2009, Pascoag Utility District disconnected 44 residential standard customers and 1 residential protected customer. The average customer balance for disconnections was above \$152.99. Pascoag Utility District had terminated one customer for non-payment in excess of \$1,000.

Mr. Choiniere made a motion to receive and file, seconded by Mr. Trudeau. The vote in favor was unanimous.

B. Electric Budget Approval Process

Mr. Palmisciano stated that the RIPUC has informed Pascoag Utility District that rate payers are not allowed to vote on the 2010 Electric budget at the Annual Meeting. The RIPUC stated that the forum to address complaints about the budget should be done at the RIPUC rate case hearing and not at the Annual Meeting. Mr. Palmisciano said that he felt there should be a way for rate payers to have input in the budget and suggested a workshop for ratepayers to attend that would be held at the District office. Mr. Palmisciano would like to hold a workshop next week to explain to the ratepayers the Electric Budget Approval Process.

C. Review of Annual Meeting Schedule

Mr. Garille directed the Board to the schedule in the Board's meeting packet. The schedule listed various items that need to take place before the Annual meeting. Mr. Choiniere made a motion to receive and file, seconded by Mr. Partridge. The vote in favor is unanimous.

D. Update on Docket No. 4098

Mr. Garille spoke about Docket No. 4098 which is the termination rules docket. The PUC has ordered the formation of a committee to deal with a review of the shutoff rules. Ms. Round has been appointed to the committee to represent Pascoag Utility District.

E. Update on Conditional Permit Issued to Well #5-Holidays

Mr. Garille spoke about the permit to bring Well#5 online and the various conditional items pertaining to it. PUD contacted the RIDEM to be exempt from checking water levels on weekends and holidays.

F. NYPA-Firm Hydro for November

There will be no reduction in firm power for November. Mr. Partridge made a motion to receive and file, seconded by Mr. Trudeau.

G. Progress on AMR-Water Project

PUD has received three additional approvals from RIDOH regarding this project. Pascoag Utility District staff has projected that the project will continue to be on schedule.

H. Report on Miller Hydro Tour

Tabled for the next regularly scheduled BUC meeting.

I. Public Power Activities

Ms. Downs stated that she received several thank you notes from vendors that had participated in the PUD Open House. She also spoke about the assembly that she and Mr. Piccardi did at Austin T. Levy School on electrical safety and conservation.

5. Approval of Minutes

- Finance Subcommittee-October 9, 2009**
- Special Meeting- October 9, 2009**

- **Finance Subcommittee- October 21, 2009**

Mr. Partridge made a motion to approve the minutes, subject to submitted changes, seconded by Mr. Trudeau. The vote in favor was unanimous.

6. Unfinished Business

09-18 NYPA Gross Up Issue

The NYPA Gross Up Case will cost New England an additional 5 million dollars per year due to the ruling. Rhode Island has decided not to appeal the decision.

7. New Business

09-24 L'Energia Plant

L'Energia is a Plant that is owned by France. It's a gas/oil fired plant. Public Power made an offer to buy it for 40 million but L'Energia wanted 60 million. L'Energia now wants to sell the plant for 40 million. If the Plant is purchased by Public Power, Pascoag is looking at purchasing 2MW. This effort is being coordinated by Energy New England.

09-25 Action Item: Approval of 2010 Electric and Water Budgets

Mr. Palmisciano stated that the Finance Subcommittee has reviewed the Budget at length and has recommended that the full Board approve it. There has been a reduction of 6% in the 2010 Water Budget. The 2010 Electric Budget has seen a reduction of 3%. The budget would be just under 8 million dollars. There is currently an over collection, which will be determined by the PUC how that over collection is applied. If this budget is approved, management is confident that there should be no rate increase for 2010. Mr.

Choiniere made a motion to approve the 2010 Electric and Water budgets, seconded by Mr. Partridge. The vote in favor was unanimous.

09-26 Action Item: Approval of Annual Meeting Agenda

Mr. Partridge made a motion to approve the agenda, seconded by Mr. Mageau. The vote in favor was unanimous.

8. Financial Reports

A. Electric Department- August 2009

B. Water Department-August 2009

Mr. Partridge made a motion to receive and file, seconded by Mr. Mageau. The vote in favor was unanimous

9. Executive Session

To go into Executive Session for the purpose of discussing job performance pursuant to R.I.G.L. 42-46-5(a)(1). The minutes of said meeting shall remain confidential for as long as necessary pursuant to RIGL 42-46-5, until a majority of the Board shall vote to open said minutes as provided for and subject to the open meeting law.

Mr. Choiniere made a motion to go into Executive Session, seconded by Mr. Partridge. The vote in favor was unanimous. The Board entered into Executive Session at 6:53PM.

Mr. Choniere made a motion to exit Executive Session, seconded by Mr.Trudeau. The vote in favor was unanimous. The Board exited Executive Session at 7:13PM.

10. New Business

09-27 Action Item: To approve a modification to the General Manager's contract

Mr. Choiniere made a motion to approve the modification as amended to the General Manager's contract, seconded by Mr. Trudeau. The vote in favor was unanimous.

09-28 Action Item: To seal the minutes of Executive Session

Mr. Partridge made a motion to seal the minutes of the Executive Session, seconded by Mr. Mageau. The vote in favor was unanimous.

11. Adjournment

Mr. Partridge made a motion to adjourn, seconded by Mr. Choiniere. The vote in favor was unanimous. The meeting was adjourned at 7:15PM.

Brian Choiniere, Secretary
Board of Utility Commissioners

Desarae Downs, Recording Secretary